Investment Commission

2136. SHRI MOOLCHAND MEENA:
DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) Whether Government have taken any final decision for setting up an Investment Commission;

(b) whether experts have felt that setting up of an Investment Commission is a positive step for improving the investment climate in the country;

(c) if so, who are its members; and

(d) by when the Commission is likely to start functioning?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) In the Budget Speech 2004-2005, Government has announced establishing of an Investment Commission for wooing domestic and foreign investors.

(b) Yes, Sir.

(c) and (d) The Investment Commission will be'chaired by an eminent person supported by a minimum number of members and supporting staff and will be constituted shortly.

Investment In Infrastructure development

2137. DR. T. SUBBARAMI REDDY:
PROF. ALKA BALRAM KSHATRIYA:

Will the Minister of FINANCE be pleased to state:

(a) Whether the total investrjent in infrastructure development in relation to the GDP dropped from 5.4 per cent in 1993-94 to 3.7 per cent in 2002-03;

(b) Whether according to the economic survey there was substantial progress in some areas and the broad outlines appeared to be falling into place;

(c) If so, whether enormous financial investment was needed to bring India's infrastructure up to world standards; and

(d) If so, what steps Government propose to take to improve Government's Infrastructure which has dropped tremendously?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) As per CSO estimates, the Gross Capital Formation in infrastructure investment at current prices increased from Rs. 45,940 crore in 1993-94 to Rs. 90,890 crore in 2002-03 as indicated in Annexure-I. Expressed as a proportion of GOP, the total investment in infrastructure declined from 5.4 per cent in 1993-94 to 3.7 percent in 2002-03.

(b) According to the Economic Survey 2003-04, "there has been substantial progress in some areas. The broad outlines now appear to be falling into place. The key principles seems to involve well enforced user charges, exploiting new technologies, private sector production, and a regulatory framework that fosters competition."

(c) Investment requirements for infrastructure projected in the Tenth Plan (2002—07) are given below:

Investment requirements

(Rs. "000 crore at 2001-02 prices)

Sectors	Investment required
1. Electricity, gas & water supply	412.5
2. Rail & Other Transport	319.5
3. Communications	296.4

Source : Vol. 1, Tenth Five Year Plan (2002—07)

(d) The Government has announced various incentives for development of infrastructure. The Budget 2004-05 has announced further measures to improve infrastructure. Amongst others these include:

a. Inter-Institutional Group (IIG) formed by IDBI, IDFC, ICICI Bank, SBI, LIC, Bank of Baroda and Punjab National Bank to ensure speedy conclusion of loan agreements and implementation of infrastructure projects.

b. All drinking water schemes to be brought under the umbrella of the Rajiv Gandhi Drinking Water Mission; allocation of Rs.2610 crore for Accelerated Rural Water Supply Programme (ARWSP) in the current year.

c. Sethusamudram Ship Canal Project: Environmental Impact Assessment study completed; techno-economic feasibility report expected shortly.

d. Construction of an International Container Transshipment Terminal (ICTT) at Vallarpadam in Kochi port on BOT basis.

e. Rural Housing: allocation for Indira Awas Yojana (IAY) raised by Rs.537 crore to Rs.2247 crore.

Government intends to support Public Private partnerships in infrastructure and to this end Rs. 1500 crores have been provided for viability Gap Funding of such projects.

Gross Capital Formation in Infrastructure (at current prices)

(Rs. crore)

	1933-94	1997-98	1998-99	1999-00	200O-01	2001-02	2002-03
Gross Capital Formation (GCF) in Infrastructure	**45940**	**62903**	**70762**	**75120**	**94226**	**91050**	**90890**
1. Electricity, gas & water	**23170**	**30756**	**36129**	**34255**	**36907**	**39180**	**42051**
2. Transport, storage & communication	**22770**	**32147**	**34633**	**40865**	**57319**	**51870**	**48839**
2.1. Railways	**5580**	**5069**	**5019**	**5307**	**5491**	**6981-**	**9470**
2.2. Transport by other means	**11304**	**16460**	**18153**	**21272**	**25802**	**21019**	**19028**
2.3. Storage	**136**	**456**	**599**	**353**	**1362**	**1525**	**1442**
2.4. Communication	**5750**	**10162**	**10862**	**13933**	**24664**	**22345**	**18899**

'Include roads, civil aviation, seaports and inland water. Source: CSO

Decline in rural credit

2138. SHRIMATI PREMA CARIAPPA:
SHRI ANAND SHARMA:
PROF. ALKA BALRAM KSHATRIYA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the rural credit given directly to the farmers has declined over the last three years;